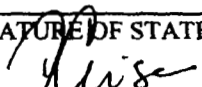
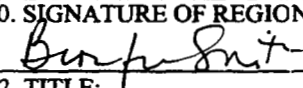


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 04-13	2. STATE Louisiana
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2004	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.253		7. FEDERAL BUDGET IMPACT: a. FFY <u>2004</u> \$708.54 b. FFY <u>2005</u> \$2,935.31	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 10 l Attachment 4.19-A, Item 1, Page 10 l (1) Attachment 4.19-A, Item 14a., Pages 1, 2 Attachment 4.19-A, Item 16, Page 1 Attachment 4.19-A, Item 16, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 03-46) Same (TN 04-09) Same (TN 04-09) Same (TN 03-46) Same (TN 04-09)	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to rebase the reimbursement rates paid to private and public non-state owned and operated hospitals for inpatient psychiatric hospital services based on the weighted average for costs.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor does not review state plan material.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030	
13. TYPED NAME: Frederick P. Cerise, M.D., M.P.H.			
14. TITLE: Secretary			
15. DATE SUBMITTED: July 12, 2004			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: JUL 14 2004		18. DATE APPROVED: JUL 20 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2004		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Charlene Brown		22. TITLE: Deputy Director, CMSO	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 1, Page 101

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

CITATION	Medical and Remedial Care and Services	F. Distinct Part Psychiatric Units
42 CFR 447.253 OBRA-90 P.L. 101-508 Sections 4702-4703	Item 1	<ol style="list-style-type: none">1. Effective for services on or after January 1, 1989, psychiatric units within an acute care general hospital which meet the criteria for exemption from Medicare's Prospective Payment System (PPS) shall have admissions to this unit carved out and handled separately as a subprovider. A separate provider number shall be assigned to differentiate admissions to these units and their related costs from other hospital admissions and costs. Separate cost centers must be established as costs related to Distinct Part Psychiatric Unit admissions shall not be allowed in the cost settlement process applicable to other admissions. Rather, reimbursement for inpatient services provided in these units shall be a prospective statewide per diem rate.

TN# 04-13
Supersedes
TN# 03-46

Approval Date JUL 20 2004

Effective Date JUL -1 2004

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 1, Page 101(1)

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

- | | | |
|--------------------------------------|---|--|
| <u>CITATION</u>
42 CFR
447.253 | Medical and Remedial
Care and Services
Item 1 (cont'd.) | <ol style="list-style-type: none">2. Effective March 1, 1994, a unit in a PPS exempt hospital which meets PPS exempt psychiatric unit criteria as specified II.B.2. shall also be considered a Distinct Part Psychiatric Unit included in the methodology described above.3. Effective for dates of service on or after July 1, 2004, the reimbursement is increased for inpatient psychiatric hospital services provided in private and public non-state owned and operated distinct part psychiatric units based on the weighted average for costs reported on the cost report ending in SFY 2002. The costs utilized to determine the weighted average shall include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs shall be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index. |
|--------------------------------------|---|--|

TN# 04-13
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TN# 04-09

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 14a, Page 1

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial
42 CFR Care and Services
440.160 Item 14a
OBRA-90
P.L. 101-508
Sections
4702-4703

Services for Individuals Age 65 or Older in Institutions for Mental Diseases are reimbursed as follows:

1. Reimbursement Methodology

- a. Effective for dates of service October 21, 2003, the reimbursement is increased for inpatient psychiatric hospital services provided in a state owned or operated free-standing psychiatric hospital or distinct part psychiatric unit to a per diem rate based on the 50th percentile facility for costs as reported on the cost report for the year ending between July 1, 2001 and June 30, 2002. The costs utilized to determine the 50th percentile facility will include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs will be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.
- b. Effective for dates of service on or after July 1, 2004, the reimbursement is increased for inpatient psychiatric hospital services provided in private and public non-state owned and operated free-standing psychiatric hospitals based on the weighted average for costs reported on the cost report ending in SFY 2002. The costs utilized to determine the weighted average shall include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs shall be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.

2. Provisions for Disproportionate Share Payments

- a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.

TN# 04-13
Supersedes
TN# 04-09

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 14a, Page 2

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE
PLAN ARE DESCRIBED AS FOLLOWS:

- b. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.

TN# 04-13
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TN# 04-09

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 16, Page 1

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial
42 CFR Care and Services
440.160 Item 16
OBRA-90
P.L. 101-508
Sections
4702-4703

Inpatient Psychiatric Hospital Services for Individuals Under 21 are reimbursed as follows:

1. Reimbursement Methodology

- a. Effective for dates of service October 21, 2003, the reimbursement is increased for inpatient psychiatric hospital services provided in a state owned or operated free-standing psychiatric hospital or distinct part psychiatric unit to a per diem rate based on the 50th percentile facility for costs as reported on the cost report for the year ending between July 1, 2001 and June 30, 2002. The costs utilized to determine the 50th percentile facility will include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs will be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.
- b. Effective for dates of service on or after July 1, 2004, the reimbursement is increased for inpatient psychiatric hospital services provided in private and public non-state owned and operated free-standing psychiatric hospitals based on the weighted average for costs reported on the cost report ending in SFY 2002. The costs utilized to determine the weighted average shall include all free-standing psychiatric hospitals and distinct part psychiatric units providing services to Medicaid recipients in the state. Costs shall be trended to the midpoint of the rate year using the Medicare PPS Market Basket Index.

2. Provisions for Disproportionate Share Payments

- a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.

TN# 04-13
Supersedes
TN# 03-46

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Effective Date JUL - 1 2004

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 16, Page 2

STATE OF LOUISIANA
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR
SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE
PLAN ARE DESCRIBED AS FOLLOWS:

- b. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.

TN# 04-13
Supersedes
TN# 04-09

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Effective Date JUL - 1 2004